



State of Wisconsin

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STEPHEN R. MILLER
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March 3, 2010

MEMORANDUM

To: Senator Vinehout

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2009 SB 559** (LRB-4307/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 1, 2010

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on SB 559 (LRB 4307/1) – Extend the Dairy Farm Investment Credit

The Department has the following technical concerns with the above-referenced bill:

Is it the author's intent that the increase in the aggregate amount of credits from \$50,000 to \$75,000 is to apply for prior years? If yes, this would allow persons who were limited in a prior year to amend that prior year return to claim additional credit without making an additional investment. This would apply to both the dairy investment credit and the livestock investment credit. If no, a separate effective date should be provided for the various sections of the bill that increase the aggregate amount of credit that may be computed. To do this, the author may wish to amend the bill as follows:

Renumber 71.07(3n)(d) to 71.07(3n)(d) 1. and amend as follows:

(d) 1. For taxable years that begin after December 31, 2003 and before January 1, 2010, the aggregate amount of credits that a claimant may claim under this subsection is \$50,000.

Create 71.07(3n)(d)2. to read as follows:

2. For taxable years that begin after December 31, 2009 and before January 1, 2012, the aggregate amount of credits that a claimant may claim under this subsection is \$75,000, including amounts claimed under subd. (d)1.

Renumber 71.28(3n)(d) to 71.28(3n)(d) 1. and amend as follows:

(d) 1. For taxable years that begin after December 31, 2003 and before January 1, 2010, the aggregate amount of credits that a claimant may claim under this subsection is \$50,000.

Create 71.28(3n)(d)2. to read as follows:

2. For taxable years that begin after December 31, 2009 and before January 1, 2012, the aggregate amount of credits that a claimant may claim under this subsection is \$75,000, including amounts claimed under subd. (d)1.

Renumber 71.47(3n)(d) to 71.47(3n)(d) 1. and amend as follows:

(d) 1. For taxable years that begin after December 31, 2003 and before January 1, 2010, the aggregate amount of credits that a claimant may claim under this subsection is \$50,000.

Create 71.47(3n)(d)2. to read as follows:

2. For taxable years that begin after December 31, 2009 and before January 1, 2012, the aggregate amount of credits that a claimant may claim under this subsection is \$75,000, including amounts claimed under subd. (d)1.

Under the bill, the definition of "used exclusively" is different for insurance companies than it is for individuals and corporations. In order to maintain consistency, the author may wish to delete the repeal of sections 71.07 (3n)(a)6.c. and 71.28 (3n)(a)6.c., and instead amend them in the same manner as s. 71.47(3n)(a)6.b. is amended under the bill.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Sen. Vinehout